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SUSTAINABLE DEVELOPMENT AND INTERNATIONAL ECONOMIC COOPERATION: TRADE AND DEVELOPMENT

A development strategy for island developing countries: new challenges, prospects and opportunities for cooperative action

Report of the Secretary-General

Addendum

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I. INTRODUCTION

1. The General Assembly, in its resolution 47/186 of 22 December 1992, appealed to the international community, inter alia, to maintain and, if possible, increase the level of concessional financial and technical assistance provided to island developing countries; to ensure that assistance conformed to the national and, as appropriate, regional priorities of those countries; to consider improving trade and/or other existing arrangements for assisting island developing countries in redressing adverse effects on their export earnings and to consider wider adoption of such arrangements; and to continue to ensure that a concerted effort would be made to assist island developing countries, at their request, in improving their institutional and administrative capacities and in satisfying their overall needs with regard to the development of human resources. The Assembly invited island developing countries to intensify further their regional and subregional cooperative arrangements, particularly to address the problem of high-cost economies, by developing, where appropriate, common services to reduce the high per capita costs of infrastructure and public services and by developing regional transport and communications systems. It also urged relevant organizations of the United Nations system to take adequate measures to respond positively to the particular needs of island developing countries and continue to report on such measures through the United Nations Conference on Trade and Development (UNCTAD), as appropriate.

2. In response to that resolution, the Secretary-General of UNCTAD sent a note verbale to States members of UNCTAD and international and relevant intergovernmental organizations, requesting them to provide information on the actions they had taken in implementation of the resolution. The replies received by the UNCTAD secretariat are summarized below.

II. INFORMATION RECEIVED FROM INDIVIDUAL COUNTRIES

A. France

3. In 1992, a number of island developing countries and territories benefited from the official development assistance (ODA) of France. In that year the grant assistance by France to 19 such countries and territories totalled 11,413 million francs. Twenty-nine island developing countries and territories also benefited from technical assistance amounting to 1,271 million francs. In 1992 France also provided 1,553 million francs in long-term loans to 19 island developing countries and territories. Cape Verde, Vanuatu and Wallis and Futuna benefited from 15 million francs in debt cancellation. The main beneficiaries were Barbados, Cape Verde, the Comoros, the Cook Islands, Cuba, Dominica, the Dominican Republic, Fiji, Grenada, Haiti, Hong Kong, Indonesia, Jamaica, Maldives, Malta, Mauritius, Mayotte, New Caledonia, Papua New Guinea, the Philippines, French Polynesia, Saint Lucia, Samoa, Sao Tome and Principe, Seychelles, Singapore, Solomon Islands, Sri Lanka, Taiwan Province of China, Trinidad and Tobago, Vanuatu and Wallis and Futuna.

B. Japan

4. From 1978 to 1991, Japan's ODA to island developing countries and territories amounted to $913 million. Of that amount $740 million was in the form of grants, $274 million of which was for technical cooperation activities. The priority projects were in the areas of infrastructure, fisheries, health, food aid, improvements in water supply systems and transportation. The beneficiaries were Antigua and Barbuda, the Bahamas, Barbados, Cuba, Dominica, the Dominican Republic, Fiji, Grenada, Haiti, Jamaica, Kiribati, the Marshall Islands, Micronesia, Nauru, Palau, Papua New Guinea, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Samoa, Solomon Islands, Tonga, Trinidad and Tobago, Tuvalu and Vanuatu. Among the member countries of the Development and Assistance Committee Japan was the leading donor in 1990 with regard to the Dominican Republic, Grenada, Jamaica, Kiribati, Samoa, Solomon Islands and Tonga.

C. Lithuania

5. Lithuania is aware of the concern of the international community with regard to assisting island developing countries. However, as a country rejoining the international community after the recent declaration of independence, it has not yet established diplomatic relations with a number of those countries. Furthermore, as a recipient of financial and technical assistance itself, Lithuania is not yet able to provide any assistance to island developing countries.

D. Luxembourg

6. Bilateral cooperation between the Government of Luxembourg and small developing countries is focused mainly on the areas of social and rural development. Cape Verde is among the countries with which Luxembourg has very close bilateral cooperation arrangements. From 1990 to 1992, Luxembourg provided development assistance to Cape Verde amounting to $4.3 million. It is expected that ODA will reach the level of about $2.4 million in 1994. The projects being implemented in Cape Verde with the assistance of Luxembourg are mainly in the areas of health, development of an economic database, power and food aid. A permanent cooperation office which will soon be opened in Cape Verde is designed to follow up the implementation of current and future projects. Luxembourg has also bilateral relations with Mauritius. In 1992 Luxembourg provided $0.07 million to Mauritius in grant form. At present two projects in the area of road construction and irrigation are under way in Mauritius.

E. Malta

7. The Maltese Institute for Islands and Small States has undertaken a number of activities related to island developing countries. The Institute is involved in the publication of Insula, which is an international journal for island affairs published in collaboration with UNESCO. It also organizes periodic

conferences which focus on island developing countries. In 1993 two international conferences were held which dealt with European regional policy with special reference to islands and sustainable tourism in islands, respectively. In November 1994 the Institute will organize another conference, on finance, banking and offshore activities in islands. On issues relating to island affairs the Institute collaborates with organizations such as UNCTAD, the Caribbean Community (CARICOM) and the International Ocean Institute. It also collaborates closely with the Maltese Ministry of Foreign Affairs in matters relating to island developing countries.

F. Mauritius

8. The Government of Mauritius contends that because of its status as an island developing country and its isolation from world markets, Mauritius should be considered as a special case requiring differential treatment within GATT. Notwithstanding these constraints, Mauritius has a preferential tariff treatment on imports from and exports to States members of regional groupings, such as the Preferential Trade Area and the Indian Ocean Commission. Technical assistance in the form of experts and fellowships is being provided to Mauritius under the Indo-Mauritian and Sino-Mauritian joint commissions. Mauritius provides technical assistance to Seychelles.

G. Philippines

9. In 1993 the Technical Cooperation Council of the Philippines offered a training course on environment management, to which all the developing countries in Asia and the Pacific were invited to participate in the context of technical cooperation among developing countries. The objective of the training course was to increase the capability of participants in environmental management planning and monitoring and land-use planning. Maldives participated in that training programme.

H. Vanuatu

10. Vanuatu supports the establishment and strengthening of regional cooperative arrangements between Pacific island developing countries. The priority areas where Vanuatu requires assistance include the development of the private sector, export marketing, training in export documentation and promotion of foreign investment.

III. INFORMATION RECEIVED FROM INTERNATIONAL ORGANIZATIONS

A. United Nations bodies and programmes

1. Economic Commission for Africa

11. The island developing countries in the African region benefit from the research and technical assistance activities of the Economic Commission for Africa. Those activities cover mineral resource development, environment and development, science and technology, transport and communications, human resources and institutional development, demographic analysis, public administration and social development, trade and development finance, industry and human settlements.

2. United Nations Conference on Trade and Development

12. The United Nations Conference on Trade and Development (UNCTAD), as the focal point for specific action at the global level in favour of island developing countries has continued to carry out activities related to the identification of their specific problems. In response to General Assembly resolution 45/202 of 21 December 1990 the Secretary-General of UNCTAD convened a group of experts, which reviewed the recent trends in the socio-economic performance of island developing countries and the prospects for their growth and development, assessed the nature and magnitude of island-specific vulnerabilities, identified areas of development potential and comparative advantage of island developing countries, and made specific policy recommendations for national, regional and international action. The results of the deliberations of the Group provided inputs to the report of the Secretary-General to the General Assembly at its forty-seventh session (A/47/414).

13. With regard to technical cooperation activities UNCTAD has a number of projects under way from which several island developing countries benefit. These include a regional project funded by the United Nations Development Programme (UNDP) to promote the sustainable development of small island developing countries in the Pacific, an interregional project designed to diversify the export base in selected, highly commodity-dependent developing countries including Solomon Islands, a UNDP-funded project in Maldives for the development of an inter-island maritime information system, a maritime training project in the Caribbean and ASYCUDA (automated system of customs data) projects designed to reform customs clearance procedures in several island developing countries in the Caribbean, the Indian Ocean and the Asia and Pacific region, as well as in Malta. Other activities are a project in Saint Lucia to promote the development and diversification of services, a project in Sao Tome and Principe to develop offshore financial services and a TRAINFORTRADE project from which several island developing countries in the eastern Caribbean and western Indian Ocean regions benefit.

3. United Nations Development Programme

14. Within the fifth programming cycle (1992-1996), the combined indicative planning figures for the 15 recipient island developing countries and territories in the Pacific region amount to $39.9 million, while the support for subregional programmes amounts to $29.5 million. The overall programme for the Pacific is about $90 million for the five-year period. The UNDP regional programme has over the years played a key role in building regional capacity to establish transport and communications systems. It is currently providing funding for a regional telecommunications project, in collaboration with the South Pacific Forum secretariat. UNDP is also providing assistance to the South Pacific Commission to strengthen intraregional cooperation in support of offshore fisheries development. Furthermore UNDP supports aid coordination arrangements through country round-table meetings. In the past, Fiji, the Marshall Islands, Samoa, Tuvalu and Vanuatu have held successful round-table meetings with UNDP support. Round-table meetings for the Cook Islands, Kiribati, the Marshall Islands, the Federated States of Micronesia, Samoa, Solomon Islands and Vanuatu are planned for 1994-1995.

15. In the eastern Caribbean, the island developing countries and territories which benefit from UNDP assistance are Anguilla, Antigua and Barbuda, Aruba, the Bahamas, Barbados, Bermuda, the British Virgin Islands, the Cayman Islands, Dominica, Grenada, Jamaica, Montserrat, the Netherlands Antilles, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Trinidad and Tobago and the Turks and Caicos Islands. The total indicative planning figure resources allocated to these countries for the fifth programme cycle amount to $31.3 million. That amount includes two subregional technical cooperation programmes implemented through the secretariats of CARICOM and the Organization of Eastern Caribbean States. The key areas for UNDP support are human resources and management development, poverty alleviation, and environmental and natural resources management.

16. In the Africa region UNDP funded the following projects between 1988 and 1992: (a) a Government-executed project on assistance to the Indian Ocean Commission, with the participation of the Comoros, Madagascar, Mauritius and Seychelles; (b) the funding of a trade development programme under the Preferential Trade Agreement, from which the benefit to the above-mentioned islands is approximately $1.2 million; and (c) a project on the promotion of industrial cooperation in the Indian Ocean, co-financed by UNDP, the United Nations Industrial Development Organization and the Agency for Cultural and Technical Cooperation, with resources amounting to $325,000. The project development objective is to identify concrete partnership opportunities between industrial entrepreneurs within the region.

B. Specialized agencies and related organizations

1. Development Committee

17. In 1994 the Development Committee of the International Monetary Fund and the World Bank addressed a number of key issues which are also relevant to island developing countries. These included population and migration; developments in non-oil commodity prices; and trade after the Uruguay Round.

2. Food and Agriculture Organization of the United Nations

18. The Food and Agriculture Organization of the United Nations (FAO) does not have a specific technical assistance policy for island developing countries but within its overall programmes for developing countries they receive special attention.

19. The main areas of FAO technical assistance to island developing countries in Asia and the Pacific are related to agricultural planning, conservation and restoration in land use, agricultural census, animal feed, animal and livestock development, agricultural and forestry legislation, rural services, management of fisheries resources, environmental planning and forestry development. FAO has also continued its special efforts to support the Governments of the island developing countries in the Latin America and Caribbean region in the implementation of their agricultural strategies and programmes.

20. In the African region FAO financed in 1993 a donor meeting on the development needs of the southern region of Madagascar. In Mauritius, FAO supported training programmes for fishermen and the construction of boats. FAO also assisted the Comoros in the development of fishery and horticulture. The main areas of technical assistance to Cape Verde include development of human resources, agricultural development and improved transportation systems. Technical cooperation programmes were also implemented in Cyprus and Malta.

3. International Civil Aviation Organization

21. The assistance of the International Civil Aviation Organization (ICAO) takes the form of the publication of material and information on the full range of activities related to civil aviation, missions by air transport experts who provide advice to civil aviation authorities, and the regular conduct of workshops in areas such as facilitation (customs and immigration procedures), statistics, airport and air transport regulation, including international fares and rates.

22. Within its technical cooperation programme ICAO continues to pay particular attention to civil aviation development in island developing countries and is now in the process of planning activities for the next UNDP programming cycle, which will include consideration, to the extent possible, of the needs of island developing countries. Under the current technical cooperation programme ICAO provides assistance to Antigua and Barbuda, the Bahamas, Cape Verde, the Cayman Islands, the Comoros, Cuba, the Dominican Republic, Fiji, Haiti, Jamaica,

Kiribati, Madagascar, Mauritius, the Federated States of Micronesia, Montserrat, the Netherlands Antilles, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Sao Tome and Principe, Seychelles, Sri Lanka, Trinidad and Tobago and the Turks and Caicos Islands.

4. International Fund for Agricultural Development

23. The International Fund for Agricultural Development is at present implementing various projects related to rural poverty alleviation in a number of island developing countries, namely, Cape Verde, the Comoros, Dominica, Jamaica, Maldives, Papua New Guinea, Saint Lucia, Saint Vincent and the Grenadines, Samoa, Sao Tome and Principe, Seychelles, Solomon Islands and Tonga.

5. International Labour Organization

24. The activities of the International Labour Organization (ILO) in island developing countries are largely implemented within the framework of UNDP country or intercountry programmes. The ILO regular budget for technical cooperation is also used to respond flexibly to ad hoc specific needs requiring limited resources. The beneficiary island developing countries and territories from ongoing ILO human resource development projects in 1993 included the Cook Islands, Fiji, Kiribati, Maldives, the Marshall Islands, Papua New Guinea, Samoa, Solomon Islands and Tonga in Asia and the Pacific; Antigua and Barbuda, Barbados, Grenada, Haiti, Jamaica, Montserrat, Trinidad and Tobago and the Turks and Caicos Islands in Latin America; Cape Verde, the Comoros, Mauritius, Sao Tome and Principe and Seychelles in Africa; and Cyprus in Europe.

6. International Maritime Organization

25. The technical cooperation activities of the International Maritime Organization involve assisting developing countries, including island developing countries and territories mainly in the following areas: transfer of technology in maritime industry, prevention of ship-generated marine pollution, assistance in dredging of ocean dumping and human resource development in the maritime sector.

7. International Monetary Fund

26. As at October 1993, the outstanding use of International Monetary Fund resources under all facilities by island developing countries totalled 1.9 billion in special drawing rights (SDR), or about $2.6 billion. Moreover the Fund approved a three-year arrangement under the extended fund facility for Jamaica for the amount of SDR 109.13 million, of which 36.38 million had been disbursed as at the end of October 1993.

8. Universal Postal Union

27. In 1993 the Universal Postal Union (UPU) provided, within the framework of UNDP financial projects, consultancy services and training to Madagascar, the Philippines, Samoa, Seychelles and Sri Lanka. In addition the Union provided consultancy services and undertook training activities in 24 island developing countries using regular UPU budget resources and special funds.

9. United Nations Centre for Human Settlements (Habitat)

28. The United Nations Centre for Human Settlements (Habitat) has been assisting some of the island developing countries in the area of land-use management legislation. This assistance was provided to the British Virgin Islands, Maldives, Trinidad and Tobago and the Turks and Caicos Islands. Several country land and environmental management projects have also been supported in Anguilla, Antigua and Barbuda, Barbados, the British Virgin Islands, Cape Verde, Dominica, Fiji, Grenada, Haiti, Jamaica, Madagascar, Maldives, Mauritius, Montserrat, Saint Lucia, Saint Vincent and the Grenadines, Sao Tome and Principe, Seychelles, Singapore and Trinidad and Tobago. Habitat has also been involved in the preservation and rehabilitation of historical architectural monuments in the Comoros, in disaster mitigation and rehabilitation programmes in Montserrat, Samoa and the Turks and Caicos Islands and in an ocean waste management project in Maldives.

10. United Nations Educational, Scientific and Cultural Organization

29. In response to the recommendations of the United Nations Conference on Environment and Development, the programmes of the United Nations Educational, Scientific and Cultural Organization in the field of education, science and communication have been reoriented in order to focus them more specifically on the objective of sustainable development. Examples of such programmes are those undertaken within the Intergovernmental Oceanographic Commission, the Integrated Management of Coastal Systems (COMAR), the Programme on Man and the Biosphere and the International Hydrological Programme.

C. Information received from intergovernmental organizations

1. Commonwealth Secretariat

30. Recent and current activities undertaken by the Commonwealth Secretariat include assistance in areas such as export marketing, industrial development, human resource development capacity-building, science and technology and environment. The proposed Commonwealth Privatization Fund will be of considerable interest to those small States undertaking privatization of their State enterprises. In addition Commonwealth small States have been assisted in drawing up the legal frameworks for privatization and attracting private foreign investment, as well as designing programmes to develop or strengthen capital markets.

2. Organization of American States

31. In 1992, the General Assembly of the Organization of American States approved $5 million for projects to be carried out in its member States that are island developing countries. This amount is in addition to $2.3 million committed in 1991. The projects being executed under these funds are related to activities in the areas of education, science and culture. The beneficiary island developing countries of this assistance programme are Antigua and Barbuda, the Bahamas, Barbados, Dominica, the Dominican Republic, Grenada, Haiti, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines and Trinidad and Tobago.